

No. 7/18/DPM

Jakarta, June 1, 2005

CIRCULAR LETTER

To

ALL COMMERCIAL BANKS

Concerning : The Fourth Alteration on Bank Indonesia Circular Letter

Number 6/17/DPM Dated April 6, 2004 concerning Secondary  
Market Trading of Bank Indonesia Certificate by Repurchase  
Agreement with Bank Indonesia.

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In order to synchronize the amount of SBI owned by Banks that can be repurchased to Bank Indonesia with the applicable SBI Repo discount rate, it is deemed necessary to reformulate the provisions in Bank Indonesia Circular Letter No. 6/17/DPM dated April 6, 2004 concerning Secondary Market Trading of Bank Indonesia Certificate by Repurchase Agreement with Bank Indonesia, as amended several times, the last one being by Bank Indonesia Circular Letter Number 7/12/DPM dated April 8, 2005, as policy implementation for Bank Indonesia Regulation Number 4/9/PBI/2002 dated November 18, 2002 concerning Open Market Operation (State Gazette of the Republic of Indonesia of 2002 Number 126, Supplement to the State Gazette of the Republic of Indonesia Number 4243), as amended for the last couple of times by Bank Indonesia Regulation Number

6/33/PBI/2004 ...

6/33/PBI/2004 dated December 31, 2004 (State Gazette of the Republic of Indonesia of 2004 Number 169, Supplement to the State Gazette of the Republic of Indonesia Number 4463), Bank Indonesia Regulation Number 4/10/PBI/2002 dated November 18, 2002 concerning Bank Indonesia Certificate (State Gazette of the Republic of Indonesia of 2002 Number 127, Supplement to the State Gazette of the Republic of Indonesia Number 4244), as amended by Bank Indonesia Regulation Number 6/5/PBI/2004 dated February 16, 2004 (State Gazette of the Republic of Indonesia of 2004 Number 18, Supplement to the State Gazette of the Republic of Indonesia Number 4366) and Bank Indonesia Regulation Number 6/2/PBI/2004 dated February 16, 2004 concerning Bank Indonesia – Scripless Securities Settlement System (State Gazette of the Republic of Indonesia of 2004 Number 15, Supplement to the State Gazette of the Republic of Indonesia Number 4363), so that they shall be read as follows:

1. The provisions in number II.2 shall be altered to be read as follows:
  2. The amount of SBI owned by the Bank that might be sold to Bank Indonesia under Repo transaction shall consist of the maximum of 25% (twenty five percent) of the SBI ownership recorded in the transactional account through BI-SSSS facilities 1 (one) day before the request for SBI Repo.
2. The provision in number II.4 shall be altered to be read as follows:
  4. The discount rates for SBI Repo shall be set at the highest amount of:
    - a. weighted average PUAB interest rate in the morning session for 1 (one) day term on the day of holding SBI Repo transaction is added by 200 (two hundred) basis points; or

b. weighted ...

- b. weighted average SBI discount rate for 1 (one) month term on the last day of auction is added by 200 (two hundred) basis points.

The provisions in this Circular Letter shall come into force on June 1, 2005.

For the public to be informed, it is ordered that this Circular Letter be promulgated in the State Gazette of the Republic of Indonesia.

Kindly be informed.

BANK INDONESIA,

BUDI MULYA

DIRECTOR OF MONETARY  
MANAGEMENT